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FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL SERVICE

OCT 13 1964

SUGAR
FS 1-64
February 1964

WORLDWIDE INTEREST SHOWN IN
CONSTRUCTING SUGAR FACTORIES

CURRENT SERIAL RECORD

SUMMARY

The upswing in world sugar prices, since 1962, is encouraging many countries to increase sugar production capacity. Stepped-up activity in this area reflects further emphasis on the wish of many countries to become nearly self-sufficient in sugar, and of others to earn additional foreign exchange from exporting sugar.

This interest in construction of new sugar mills and refineries, or enlargement of existing ones is universal; no one continent or area dominates the picture. Activity is much the same in industrialized and in developing nations, and there is no overt emphasis on either sugar beets or sugarcane. In a number of countries, such as Brazil, Mexico, and Australia, long-range plans for increasing sugar production have been drawn up.

This circular is intended as a documentation of plans and programs for the sugar processing industry in various countries, and does not include an analysis of the economic justification or probable financial success of the projects. It reflects the specifically reported cases available to the Foreign Agricultural Service and is not necessarily complete for all continents. In effect, this publication updates information published in Foreign Agriculture Service Circular FS 3-62, June 1962, and the information reported here relates only to the intervening period.

AFRICA

Ethiopia

The country's second sugar plant, the Shoa Sugar Factory, opened on November 12, 1962. It is located on the Wongi Sugar Estate and serves as a twin to the Wongi Sugar Factory (built in 1955). The two plants are capable of producing 88,000 short tons of sugar per year, somewhat in excess of the country's current needs. In the 1962-63 crop year, 65,000 short tons were produced.

During 1963, plans were considered for increasing production to meet growing domestic needs and provide some sugar for export. Plans are under consideration to build a third sugar factory and increase the land available for cane production.

Kenya

In 1963, negotiations were concluded to develop sugarcane production in the Muhoroni area of Kenya. A new factory is being planned for operation in another year. Reportedly, it will be licensed to produce a maximum of 44,000 short tons of sugar per year. However, the owners hope to get government approval to increase annual output to 50,000 short tons. A West German firm has the contract to build the factory.

Libya

Government plans call for the construction of a plant capable of processing 1,650 short tons of sugar beets daily. The goal would be 24,000 short tons of white granulated sugar per year. No date has been set for launching this project. It is understood the proposed plant would initially operate on a basis of 75 percent imported raw sugar, with imports gradually reduced as domestic production increased.

Mozambique

A Spanish firm has been appointed general contractor and supplier for the sugar factory to be constructed near Beira. The factory, to begin operations in late 1965, will have a daily grinding capacity of about 4,000 short tons of cane. This will yield about 66,000 short tons of sugar annually.

Rhodesia

Rhodesia (Northern and Southern) and Nyasaland are moving toward self-sufficiency in sugar. Acreage and cane output are expanding, as is milling capacity. A new plant, which can crush 130 short tons of cane an hour, was completed on the Triangle Estate in 1962 and capacity is being stepped up to 180 short tons per hour in 1964.

A Scottish firm has been awarded a contract to build and equip a sugar factory for the Hippo Valley Estates. It will have a daily processing capacity of 6,000 short tons of cane, and is scheduled to begin production in the autumn of 1965.

Tanganyika

On October 6, 1962, a new sugar factory was opened about 200 miles southwest of Dar-es-Salaam. The factory is operated by the Kilombero Sugar Company, Limited, and is scheduled to produce over 40,000 short tons of sugar annually.

During the latter part of 1962, new equipment was installed in the Tanganyika Planting Company's existing factory at Arusta Chini. The new equipment includes a continuous diffuser, a Danish invention, which, although designed for use in beet processing, has been adapted to the special needs of cane.

Tunisia

A sugar factory at Beja began operations during June 1962. It is designed to process about 1,600 short tons of beets daily. During its first year of operation, it handled approximately 36,000 short tons of beets. Plans call for eventual local sugar beet production of 165,000 short tons, from which 26,000 tons of white sugar will be manufactured. It is expected that additional 66,000 tons of sugar will be refined in the same plant from imported raw sugar.

Uganda

A private German firm reportedly is financing construction of a sugar factory at Sango Bay on Lake Victoria. The Sango Bay Sugar Estates will own the factory.

The plant is being constructed in three phases. Initially, it will have a crushing capacity of 600 short tons of cane per hour. However, at the end of the third phase, the hourly capacity will be 3,000 short tons.

United Arab Republic (Egypt)

A crude sugar factory at Edfu began operations in January 1962. Initially, the plant is handling about 4,400 short tons of cane daily, and turning out approximately 45,000 tons of raw sugar per grinding season. It has the potential to produce approximately 90,000 short tons.

The Nasr Sugar Company of Cairo plans to construct three sugar factories. These plants are to be located at Kom Ombo, Deshwa, and Balena. The government plans, with the completion of these new plants and the expansion of other existing plants, a considerable increase in the production of sugar.

ASIA

Burma

In a drive to become self-sufficient in sugar, the government opened in June 1963 a sugar factory at Sahmaw. It has the capacity to crush 1,200 short tons of cane daily. Another plant of this size is being considered, along with a number of smaller ones.

Cambodia

By the end of 1963, construction of a Czechoslovakian-financed sugar refinery was about half-completed. It is expected to be operational by November 1964. This plant is designed to refine about 65 short tons of centrifugal palm-sugar

daily. However, at this rate the plant would far out-strip the local supply of raw centrifugal palm-sugar. The government is at present exploring means of furnishing an adequate supply of raw material to the plant.

India

A total of 183 sugar mills were in operation during the 1962-63 season, compared with 179 in the previous season. However, most mills had to halt crushings much earlier in 1962-63 than in the preceding seasons, because of reduced cane deliveries. Throughout all of India the crushing period averaged only 108 days in 1962-63, compared with 146 days in 1961-62 and 167 days in 1960-61.

In June 1963, the government appointed a committee to investigate possible rehabilitation and modernization of uneconomic units in the sugar industry. The committee will analyze all aspects of the industry, including mill operations.

Indonesia

There were 55 sugar mills in operation during the 1963 crushing period, all located on Java. This number has held steady in recent years. The government is working on a program to extend the industry by establishing mills on other islands. Some of these would be old mills moved from Java, others would be completely new.

Consideration is being given to establishing 2 mills on the island of Lombok. However, the Pagotan mill, which is to be moved from Java, continued operations at its old site during the 1963 crushing period.

Over \$1.3 million worth of sugar mill equipment has been purchased from a Japanese firm. This equipment will be installed in 3 mills on Ceram Island in the Moluccas, which would be completed by October 1966, and have a total capacity of 10,000 short tons of cane per month.

Reportedly, a mill is to be built in the Central Lampung area of South Sumatra. It is scheduled to start operations in 1966. Also a mill is now being constructed in the Atjeh area of North Sumatra and is scheduled to be completed by March 1966. It will be the third largest in Indonesia. The plant is designed to crush 2,200 short tons of cane daily, but this could be increased to over 2,700 short tons.

Iran

At the end of 1963, a beet sugar factory was under construction in Kermanshah province. Plans call for daily processing capacity of over 1,100 short tons of beets.

During its first two grinding seasons, the sugarcane factory at Haft Tapek has operated at about half of its designed capacity.

Japan

Two beet sugar factories began operations in Hokkaido during the 1962-63 season. This brought the total number of factories in Hokkaido to nine. The standard capacity of each factory is reported to be 1,300 short tons of beets per day. Four companies have been authorized to open new factories in Hokkaido during 1964.

In Aomori Prefecture, in northern Honshu, a new beet sugar factory was opened in the latter part of 1962. It is capable of handling about 1,300 short tons of beets daily. In November 1962, the beet sugar plant in Oita Prefecture closed. It had a 650-short-ton daily beet capacity. The beets formerly processed by the factory are being handled by the mill in Okayama Prefecture.

Malaysia

Nearly all of the country's sugar requirements are met through imports, but two companies are reported interested in constructing factories. Plans indicate one company will begin operations during late 1964.

Nepal

A sugar factory capable of crushing approximately 1,000 short tons of cane daily is scheduled to begin operations in December 1964. It is being constructed and supplied by a Scottish firm.

Pakistan

The government is supporting a program to establish new sugar factories in various parts of the country. In East Pakistan two sugar plants will begin operation during 1964. One plant will be located at Rajshaki, the other at Kushtia. Capacity of each will be about 10,000 short tons of sugar annually. Plans are being drawn up to erect one sugar factory at Badin, another at Bannu. Both places are in West Pakistan, and the plants will have a combined yearly output of approximately 36,000 short tons of white sugar. Additional milling facilities are being considered.

Philippines

Considerable interest in the acquisition of mills is being shown by cane producer groups. The Bacolod-Murcia Planters Association and the Talisay-Silay Planters Association have jointly purchased a used Puerto Rican sugar mill. The mill can handle about 2,500 short tons of cane daily, and it is estimated that it will be ready for the 1965-66 milling season. The Silay-Saravia Planters Association also has purchased a used sugar mill from Puerto Rico. This factory is reported to have a cane-milling rate of 2,500 short tons per day.

Plans to establish other mills are at various stages of development. Some of these would be small and designed to meet local needs for sugar. However, several others are being established with a view towards producing sugar for export, and these would have the capacity to handle up to 4,000 short tons of cane daily.

Syria

Plans are going forward to establish a beet sugar factory in the Ghab district. Domestic production accounts for about 20 percent of the country's sugar needs. With the completion of the Ghab factory, local production may amount to 50 percent of domestic requirements. Ultimately, another sugar factory may be constructed in the Euphrates Valley.

Turkey

The Ankara beet sugar factory was opened in October 1962. It has facilities for slicing approximately 1,300 short tons per day. Construction on the Kastomonu plant continues, and it is believed that the plant will be operational in 1965. This plant will have approximately the same capacity as the Ankara factory.

Vietnam

The sugar factory at Hiep-Hoa, South Vietnam, has increased its capacity; in 1962 it produced over 12,500 short tons of sugar. Plans for the construction of three new sugar factories are still under consideration. These plants would be located in the provinces of Quang-Ngai, Tuy-Hoa and Buih-Duong. Although no further information is available on the Buih-Duong factory, the other factories are scheduled to have a daily capacity of about 1,100 short tons of cane.

Two new sugar factories started operations in North Vietnam during 1962. The Van Deim sugar factory in Phu Xuyen district is capable of crushing 1,100 short tons of cane daily. It reportedly was constructed with assistance from Poland and Mainland China. The other factory is located at Vinh Tru.

NORTH AMERICA

British Honduras

In early December 1963, Tate and Lyle announced the purchase of the country's only sugar mill, the Corozal Sugar Factory. The new management has definite plans to expand milling capacity.

British West Indies

The only sugar factory on St. Vincent closed at the end of the 1961-62 crop year because of insufficient cane supplies and of labor problems. There are no plans for its reopening. The sole sugar factory still operating on St. Lucia is also experiencing some difficulty.

El Salvador

The country's mill capacity is being expanded significantly. A completely new sugar mill is being installed beside the old San Isidro mill. The new factory will be capable of handling 4,400 short tons of cane per day. The San Francisco factory is being rebuilt, and when completed will have a daily cane crushing capacity of over 2,000 short tons. Expansion programs are being carried out on the San Esteban and La Cabana mills; plans call for a 25 percent increase in outputs of each by the 1964-65 crop.

During September 1963, a new distillery was opened at Apopa. Local molasses is utilized to produce high-quality ethyl alcohol. The plant is capable of producing about 1-1/2 million gallons annually.

Guatemala

Two new sugar mills are expected to commence operations during the 1963-64 crop year. The Madre Tierra factory, located in Suchitepequez, will have a daily cane capacity of 800 short tons. The equipment for the factory was purchased second-hand from a Jamaican mill. The other sugar factory, Miraudilla, will be capable of handling about 500 short tons of cane per day.

A third new factory, the Chipso sugar plant, is scheduled to commence operations during the 1964-65 grinding season. The factory will produce only sugar to be utilized in such products as candy, soft drinks, and chiclets.

Mexico

During the 1963-64 season, test grinding operations are being conducted at the Plan de Ayala sugar mill in San Luis Potosi state. This is a new factory, having a grinding capacity of 5,500 short tons of cane per day.

The Resolana factory at Casimiro Castillo in Jalisco state started operations during the 1962-63 season. It is capable of producing 22,000 short tons of sugar per season. The factory is not new; it had operated previously in the sugar area of Morelos. Some consideration has been given to a plan to reactivate the San Martin Cocula mill at Guerrero for the 1964-65 grinding season. This factory has a daily crushing capacity of approximately 1,300 short tons of cane.

The National Union of Sugar Producers submitted two alternative plans for increasing Mexico's sugar production to the government in mid-1963. The plan envisioning the largest of the two proposed increases in production was adopted. This plan would place sugar output in 1970 at 3,050,000 short tons. It calls for investment to increase sugarcane production, and also the construction of eight factories, having a total annual production capacity of approximately 466,000 short tons of sugar.

According to this plan, plant location and capacity would be:

Soconusco	Chiapas State	44,000	Short tons
Rio Verde	Oaxaca State	44,000	" "
Tuxtepec	" "	55,000	" "
Rio Hondo	Quintana Roo State	26,000	" "
Humaya	Sinaloa State	88,000	" "
Limon	Tabasco State	88,000	" "
San Juan Evangelista	Veracruz State	33,000	" "
Tuxpan	" "	88,000	" "

Under the plan, the first five plants would be built by the government and organized as farmer cooperatives; the others would be in the hands of private organizers. The factories in Chipas, Quintana Roo, Sinaloa, and Tabasco, as well as one at Tuxpan, Veracruz, would include new machinery. The machinery for the factories at San Juan Evangelista and in Oaxaca would be reconditioned used machinery to be moved to these locations from other parts of Mexico, possibly Cordoba, Veracruz.

United States

The Spreckles Sugar Company factory at Mendota, California, commenced operations during 1963. Its daily slicing capacity is 6,000 short tons of beets. Three other beet sugar factories are being established to process the beet output from new acreage committed from the national sugar beet acreage reserve. A factory capable of handling 6,000 short tons of beets per day is under construction at Hereford, Texas. It will be ready for the 1964 crop. The other two factories, of similar capacity, will be ready for the 1965 crop. These will be located at Drayton, North Dakota, and in central New York State.

A number of cane sugar mills were opened in Florida during 1962. Some mills were entirely new, while the remainder were either moved from other locations or else were recommissioned plants. Only three remained in operation through the 1963 season. One was the U.S. Sugar Corporation's mill at Bryant; the other two were grower cooperatives at Belle Glade and Moore Haven. The Belle Glade sugar mill has an 8,000 short ton daily cane capacity, which is to be increased to 8,200 short tons at a later date. The Moore Haven factory handles 3,500 short tons of cane daily.

SOUTH AMERICA

Argentina

A new processing plant is under construction near Mar del Plata. It will be utilized primarily to produce 96.5 proof alcohol from locally grown sugar beets.

Prior to the start of the 1963 campaign, the Santa Ana sugar mill in Tucuman Province was closed. The mill had been operating at a loss during the past several years, and in early 1963 the provincial government declared the mill "dissolved" and in a state of "liquidation".

Bolivia

During the latter part of 1963, plans were going forward for the establishment of a factory in Bermejo. It would have a capacity of approximately 1,000 short tons of sugar daily. A Japanese offer of construction is under consideration.

Brazil

In 1963 approval was given to a plan to increase the country's sugar production. The major factor in the plan is expansion of milling capacity through modernizing existing facilities and constructing new factories. Present plans call for a substantial number of new factories before 1970.

British Guiana

A new sugar mill reportedly will be built on the Demerara Company's Diamond Estate, located just south of Georgetown. This will replace the existing antiquated facilities, and will be capable of handling not only the company's own cane production, but, in addition, cane produced by independent growers. No completion date for the plant has been given.

Columbia

The nation's sugar milling capacity is being expanded greatly. An old sugar factory, La Antigua in Valle del Cauca, is scheduled to reopen in 1964. It is capable of producing approximately 27,000 short tons of sugar per season. The Pajonales sugar factory, with an annual production capacity of about 11,000 short tons of sugar, is also scheduled to commence operations in 1964. A new factory, it is located in the northern portion of Cauca Department.

Work was started during 1963 to expand the capacity of the Mayaquez and San Carlos mills. The work is scheduled to be completed by mid-1964. Reports during late 1963 indicate that a new factory may be erected in the Risaralda Valley, Department of Caldý, but no information is available on completion date or plant capacity.

Ecuador

The Tababuela sugar factory at Imbabura was completed in December 1963. Plant capacity is over 22,000 short tons of sugar per campaign, but at present local cane production is insufficient to allow full utilization of capacity.

In the latter part of 1963, a new Ecuadorian corporation, Compania Azucarera Tropical Americana, was formed. Plans call for the construction of a factory capable of handling approximately 6,000 short tons of cane daily.

EUROPE

Greece

All three new sugar beet factories are in operation. The plant at Larissa, which started its trial operations in August 1961, processed approximately 200,000 short tons of beets during the 1963 season. The factory at Plati commenced trial operations during the latter part of 1962. Operations during the 1963 season remained on a trial basis; only 80,000 short tons of beets were processed. The Polish-built sugar factory at Serres was opened in August 1963. It handled about 60,000 short tons of beets during its trial operations in the fall of 1963.

Ireland

The total daily capacity of the existing four sugar beet factories was 12,052 short tons of beets in 1962. Current expansion programs will increase this capacity by 1,120 short tons by the end of 1964.

Italy

A new sugar beet factory was opened at Castiglion Fiorentino in November 1962. It was reported to process initially 2,200 short tons of beets daily, and will increase operations to a daily rate of approximately 4,500 short tons by 1965. During mid-1963 there were 76 sugar mills in Italy with a total daily sugar production capacity of 147,000 short tons.

Sweden

At the end of the 1961 campaign, the crude sugar mills located in Skivarp and Sabyholm were closed down. Previously, the refinery at Landskrona had ceased operations. During 1962, plant capacity was expanded at the Jordberga, Ortofta, and Hasslarp sugar mills. Thus, at the beginning of the 1963 campaign, Sweden had nine sugar factories, of which 3 produced only crude sugar.

United Kingdom

At the end of 1963, there were no plans for the construction of additional sugar factories. However, the British Sugar Corporation is placing considerable emphasis on increasing the capacity and efficiency of existing factories.

OCEANIA

Australia

The Committee of Inquiry into the Sugar Industry, appointed by the Queensland Government, submitted its report and recommendations in October 1963. The Committee investigated methods for the expansion of the Australian sugar industry. If its recommendations are accepted, acreage will be increased 20 percent by 1970. Apparently the expansion of existing milling facilities, rather than the construction of new factories, would be expected to handle the bigger production.

New Zealand

Plans are being considered to establish two factories to process sugar beets. One would be located at Taranaki on North Island, while the other would be at South Otago on South Island. The proposed factory on South Island would have a daily capacity of 2,200 short tons of beets.

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